Legal and Technical Commission

Distr.: General
12 March 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part I
Kingston, 12–23 March 2018

Agenda of the Legal and Technical Commission

1. Opening of the session.
2. Adoption of the agenda.
3. Election of the Chair and the Vice-Chair.

A. Activities of the contractors

4. Report on the status of the contracts for exploration.
5. Status of the implementation of training programmes under plans of work for exploration and the allocation of training opportunities.
6. Consideration of additional measures to improve efficiency in the current process for reviewing annual reports.
7. Consideration of the annual reports of contractors.
8. Report on the periodic reviews of the implementation of plans of work for exploration.

B. Applications for approval of plans of work for exploration

9. Consideration of applications for approval of plans of work for exploration, if any.[1]

C. Regulatory activities of the Authority

10. Consideration and adoption of the draft regulations on the exploitation of mineral resources in the Area.

[1] Applications for approval of plans of work for exploration, if any, will be considered in the order of their receipt.

Please recycle

11. Review of the recommendations for the guidance of contractors for the assessment of possible environmental impacts arising from the exploration for marine minerals in the Area.

D. Environmental management planning

12. Review of the implementation of the Environmental Management Plan for the Clarion-Clipperton Fracture Zone and development of other environmental management plans in the Area.

E. Data management

13. Implementation of the data management strategy of the Authority.

F. Matters referred to the Commission by the Council

14. Issues related to the sponsorship by States of contracts of exploration in the Area, with particular attention to the test of effective control, as well as issues related to monopolization of activities in the Area, taking into consideration, in particular, the concept of abuse of a dominant position.

15. Issues relating to the operation of the Enterprise, in particular the legal, technical and financial implications for the Authority.

16. Review of the provisions of the regulations on prospecting and exploration relating to the option of offering an equity interest in a joint venture arrangement, with a view to aligning all regulations in that respect and to making a recommendation thereon for consideration by the Council at its next session.

17. Issues associated with the conduct of marine scientific research in exploration areas.

G. Other matters

18. Other matters.

International Seabed Authority ISBA/24/LTC/2

Legal and Technical Commission

Distr.: General
16 January 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part I
Kingston, 12–23 March 2018
Item 4 of the provisional agenda*
Report on the status of the contracts for exploration

Status of contracts for exploration in the Area

Report of the Secretary-General

1. The present report provides updated information on the status of contracts for exploration in the Area. Contracts currently pertain to each of the three mineral resources for which the International Seabed Authority has adopted regulations on prospecting and exploration. These are polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts. The information provided herein covers the period until 31 December 2017.

2. As at 31 December 2017, 27 contracts for exploration had entered into force, of which 17 were for polymetallic nodules, 6 were for polymetallic sulphides and 4 were for cobalt-rich ferromanganese crusts. For each mineral resource, a complete list, containing the name of the contractor, the sponsoring State(s), if applicable, the general location of the exploration area and the dates of entry into force and expiry of each contract, is provided in the annex to the present document.

3. A contract for exploration for cobalt-rich ferromanganese crusts, relating to an application for approval of a plan of work for exploration submitted by the Government of the Republic of Korea, was approved by the Council at the twenty-second session, in 2016, and will be signed before the start of the twenty-fourth session. A contract with the Government of Poland for exploration for polymetallic sulphides, relating to a plan of work for exploration approved by the Council at the twenty-third session, was signed in Warsaw in October 2017 but, owing to technical reasons, had not entered into force as at 31 December 2017.

4. In respect of six applications for a five-year extension of the exploration contracts approved by the Council at the twenty-second session, extension agreements have been signed with all contractors concerned, namely Interoceanmetal Joint Organization, the Government of the Republic of Korea, China Ocean Mineral Resources Research and Development Association, Deep Ocean Resources Development Co. Ltd., Institut français de recherche pour l'exploitation de la mer and

* ISBA/24/LTC/L.1.

18-00222 (E) 220118

Please recycle

Yuzhmorgeologiya. Information on the adjusted expiration date of the relevant contracts is contained in the annex.

5. In respect of the application by the Government of India for a five-year extension of its exploration contract that was approved by the Council at the twenty-third session, the extension agreement is expected to be signed by the end of February 2018.

6. The Commission is invited to take note of the present report.

Annex

Status of contracts for exploration

A. Contracts for exploration for polymetallic nodules

	Contractor	*Date of entry into force*	*Sponsoring State(s)*	*General location of the exploration area*	*Date of expiry*
1	Interoceanmetal Joint Organization	29 March 2001 29 March 2016[a]	Bulgaria, Cuba, Czechia, Poland, Russian Federation, Slovakia	Clarion-Clipperton Fracture Zone	28 March 2016 28 March 2021
2	Yuzhmorgeologiya	29 March 2001 29 March 2016[a]	Russian Federation	Clarion-Clipperton Fracture Zone	28 March 2016 28 March 2021
3	Government of the Republic of Korea	27 April 2001 27 April 2016[a]	–	Clarion-Clipperton Fracture Zone	26 April 2016 26 April 2021
4	China Ocean Mineral Resources Research and Development Association	22 May 2001 22 May 2016[a]	China	Clarion-Clipperton Fracture Zone	21 May 2016 21 May 2021
5	Deep Ocean Resources Development Co. Ltd.	20 June 2001 20 June 2016[a]	Japan	Clarion-Clipperton Fracture Zone	19 June 2016 19 June 2021
6	Institut français de recherche pour l'exploitation de la mer	20 June 2001 20 June 2016[a]	France	Clarion-Clipperton Fracture Zone	19 June 2016 19 June 2021
7	Government of India	25 March 2002 25 March 2017[b]	–	Central Indian Ocean Basin	24 March 2017 24 March 2022
8	Federal Institute for Geosciences and Natural Resources	19 July 2006	Germany	Clarion-Clipperton Fracture Zone	18 July 2021
9	Nauru Ocean Resources Inc.	22 July 2011	Nauru	Clarion-Clipperton Fracture Zone (reserved area)	21 July 2026
10	Tonga Offshore Mining Limited	11 January 2012	Tonga	Clarion-Clipperton Fracture Zone (reserved area)	10 January 2027
11	Global Sea Mineral Resources NV	14 January 2013	Belgium	Clarion-Clipperton Fracture Zone	13 January 2028
12	UK Seabed Resources Ltd.	8 February 2013	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	7 February 2028

	Contractor	*Date of entry into force*	*Sponsoring State(s)*	*General location of the exploration area*	*Date of expiry*
13	Marawa Research and Exploration Ltd.	19 January 2015	Kiribati	Clarion-Clipperton Fracture Zone (reserved area)	18 January 2030
14	Ocean Mineral Singapore Pte. Ltd.	Signed in Kingston on 15 January 2015 and in Singapore on 22 January 2015	Singapore	Clarion-Clipperton Fracture Zone (reserved area)	21 January 2030
15	UK Seabed Resources Ltd.	29 March 2016	United Kingdom	Clarion-Clipperton Fracture Zone	28 March 2031
16	Cook Islands Investment Corporation	15 July 2016	Cook Islands	Clarion-Clipperton Fracture Zone (reserved area)	14 July 2031
17	China Minmetals Corporation	12 May 2017	China	Clarion-Clipperton Fracture Zone (reserved area)	11 May 2032

[a] Five-year extension of contract granted at the twenty-second session (2016).
[b] Five-year extension of contract granted at the twenty-third session (2017).

B. Contracts for exploration for polymetallic sulphides

	Contractor	*Date of entry into force*	*Sponsoring State(s)*	*General location of the exploration area*	*Date of expiry*
1	China Ocean Mineral Resources Research and Development Association	18 November 2011	China	South-West Indian Ridge	17 November 2026
2	Government of the Russian Federation	29 October 2012	–	Mid-Atlantic Ridge	28 October 2027
3	Government of the Republic of Korea	24 June 2014	–	Central Indian Ocean	23 June 2029
4	Institut français de recherche pour l'exploitation de la mer	18 November 2014	France	Mid-Atlantic Ridge	17 November 2029
5	Federal Institute for Geosciences and Natural Resources	6 May 2015	Germany	Central Indian Ridge and South-East Indian Ridge	5 May 2030

	Contractor	*Date of entry into force*	*Sponsoring State(s)*	*General location of the exploration area*	*Date of expiry*
6	Government of India	26 September 2016	–	Indian Ocean Ridge	25 September 2031
7	Government of Poland	Not yet in force	–	Mid-Atlantic Ridge	

C. Contracts for exploration for cobalt-rich ferromanganese crusts

	Contractor	*Date of entry into force*	*Sponsoring State(s)*	*General location of the exploration area*	*Date of expiry*
1	Japan Oil, Gas and Metals National Corporation	27 January 2014	Japan	Western Pacific Ocean	26 January 2029
2	China Ocean Mineral Resources Research and Development Association	29 April 2014	China	Western Pacific Ocean	28 April 2029
3	Ministry of Natural Resources and Environment of the Russian Federation	10 March 2015	–	Magellan Mountains in the Pacific Ocean	9 March 2030
4	Companhia de Pesquisa de Recursos Minerais S.A.	9 November 2015	Brazil	Rio Grande Rise in the South Atlantic Ocean	8 November 2030
5	Government of the Republic of Korea	To be signed	–	East of the Northern Mariana Islands in the Pacific Ocean	

International Seabed Authority ISBA/24/LTC/3

Legal and Technical Commission

Distr.: Limited
16 January 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part I
Kingston, 12–23 March 2018
Item 6 of the provisional agenda*
Consideration of additional measures to improve efficiency in the current process for reviewing annual reports

Evaluation of annual reports of contractors and monitoring compliance with plans of work for exploration

Note by the secretariat

I. Introduction

1. The present note provides a review of the relevant rules, regulations and procedures of the Authority and the related responsibilities of the Council, the Legal and Technical Commission and the secretariat in relation to the evaluation of annual reports by contractors and monitoring compliance with plans of work. The note also outlines the way in which the Commission operates in practice and includes a review of certain improvements to the process that have already been made and suggestions for further improvement. The objective is to provide the Commission with a better understanding of its responsibilities and thus facilitate the more effective discharge of its functions under the United Nations Convention on the Law of the Sea with respect to the evaluation of annual reports and the review of the implementation of programmes of activities.

2. A related report (ISBA/24/C/5) is to be presented to the Council at its meeting in March 2018 in the light of the Council's request to be provided with further details on cases of non-compliance in circumstances in which the relevant contractor has not complied with a specific request in a letter received from the Secretary-General, including details regarding the relevant contractor, details with respect to repeated instances of non-compliance and recommendations to ensure compliance in the future (see ISBA/23/C/18). It may be noted that the Council's request arose in response to the report of the Chair of the Commission on the work of the Commission in 2017, in which it was noted that there were some cases of non-compliance with regard to reporting requirements.

* ISBA/24/LTC/L.1.

18-00369 (E) 230118

Please recycle

II. Monitoring compliance with plans of work for exploration

3. Under article 162, paragraph 2 (l) of the Convention, the Council shall exercise control over activities in the Area in accordance with article 153, paragraph 4, of the Convention and the rules, regulations and procedures of the Authority. Under article 153, paragraph 4, the Authority is required to exercise such control over activities in the Area as is necessary for the purpose of securing compliance with the relevant provisions of part XI of the Convention and the annexes relating thereto, the rules, regulations and procedures of the Authority and the approved plans of work.

4. Monitoring compliance with plans of work for exploration approved in the form of contracts is also one of the functions of the Authority pursuant to section 1, paragraph 5 (c), of the annex to the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (1994 Agreement). At present, the primary monitoring mechanisms available to the Authority are the annual reports submitted by contractors pursuant to section 10 of the standard clauses for exploration contracts and the periodic reviews of the plans of work for exploration under section 4.4 of the standard clauses. In due time, the Council will be required to establish an appropriate inspection mechanism pursuant to article 162, paragraph 2 (z), of the Convention. Although such an inspection mechanism does not exist at present, it is expected that the establishment thereof will be addressed in the context of the exploitation regulations.

A. The plan of work for exploration

5. The plan of work for exploration is the fundamental document by which a contractor sets out the objectives of its proposed exploration programme. Pursuant to the regulations on prospecting and exploration, the plan of work for exploration comprises a general description and a schedule of the proposed exploration programme, including the programme of activities for the immediate five-year period, as well as a description of a programme for oceanographic and environmental baseline studies, taking into account any recommendations issued by the Commission, a preliminary environmental impact assessment of the proposed exploration activities and a schedule of expected yearly expenditure in respect of the programme of activities.

6. Upon approval of the plan of work by the Council, the programme of activities for the immediate five-year period becomes schedule 2 of the contract for exploration.

7. Under sections 4.1 and 4.2 of the standard clauses, the contractor is required to adhere to the time schedule stipulated in its programme of activities and to spend in each contract year no less than the amount specified. The programme of activities, including expenditure, may be modified by a contractor with the consent of the Authority, in so far as any changes may be necessary and prudent in accordance with good mining industry practice, taking into account the market conditions for the constituent metals and other relevant global economic conditions.

8. In accordance with section 4.4 of the standard clauses, the contractor and the Secretary-General shall jointly undertake a review of the implementation of the plan of work for exploration. The Secretary-General may require the contractor to submit such additional data and information as may be necessary for the purposes of the review. Following the review, the contractor is required to make any necessary adjustments to its plan of work and to indicate its programme of activities for the following five years, including a revised schedule of expected yearly expenditure. Schedule 2 of the contract is then adjusted accordingly.

9. In carrying out its programme of activities, the contractor must implement, as far as reasonably practicable, any recommendations that may be issued from time to time by the Commission. The ability of the contractor to implement such recommendations, however, will primarily be linked to the specific programme of activities to which the contractor has committed itself under schedule 2 of the contract. Environmental baseline data, for example, would be collected as exploration activities progress and develop (sect. 5.3 of the standard clauses). Consequently, it is a prerequisite that contractor programmes of activities be current and activities clearly documented in order to facilitate the effective monitoring of the implementation of such programmes.

B. Annual reporting

10. Under the exploration contract, the contractor is required to submit an annual report to the Secretary-General within 90 days of the end of each calendar year covering its programme of activities in the exploration area (sect. 10.1 of the standard clauses). The report must be in the format recommended from time to time by the Commission. The Commission has, in connection with this annual reporting obligation, issued recommendations for the guidance of contractors on the content, format and structure of annual reports (ISBA/21/LTC/15) and on the reporting of actual and direct exploration expenditure (ISBA/21/LTC/11). The former set out the general requirements for annual reports together with specific guidance by resource category, including detailed templates in Microsoft Excel format for the submission of data. The latter provide guidance on the presentation of annual financial information to verify contractor compliance with its schedule of expected annual expenditure under a plan of work.

11. In accordance with current practice, annual reports by contractors are to be submitted by 31 March each year and are then subject to analysis by technical staff within the secretariat. Simultaneously, the reports and supporting documentation are loaded onto a secure website, accessible only to members of the Commission, for their private study and review. After review, the Commission prepares an evaluation report for submission to the Secretary-General. That evaluation contains the Commission's general comments on the annual reports, which are subsequently forwarded to the Council, and specific comments, where necessary, on the reports of each individual contractor. Those comments, which may include questions relating to data or advice on scientific methodologies, are conveyed to the contractors by the Secretary-General, usually in the form of a letter, but at other times as part of a bilateral consultation. Responses by the contractors and any follow-up action taken are reflected in the annual report of the following year.

12. Certain deficiencies in the current reporting process were highlighted in the final report on the periodic review of the Authority pursuant to article 154 of the Convention. Those conclusions were supported by comments by the Secretary-General and were reflected as an item for action in the decision of the Assembly of 18 August 2017 relating to the final report on the first periodic review of the international regime of the Area pursuant to article 154 (ISBA/23/A/13).

13. Among the measures taken to date to improve efficiency are the establishment of a dedicated contract management unit to streamline internal processes and improve the flow of communication between contractors and the Authority and a regular annual meeting of contractors at which issues of mutual concern can be discussed. The launch of the Authority's new database, scheduled for 2018, is expected to improve significantly the flow of data and information among contractors, the Secretary-General and the Commission. The new database will also result in greater transparency, with secure access to confidential data for authorized users and an

intuitive and informative website that includes a geographic information system for public access to non-confidential data and information.

III. The role of the organs of the Authority

14. The various organs of the Authority have specific and clearly defined roles and responsibilities in relation to monitoring compliance with plans of work for exploration, which are derived from the Convention, the 1994 Agreement, the regulations and the standard clauses for exploration contracts.

15. The responsibilities of the Secretary-General are to:

(a) Review annual reports of contractors and require contractors to submit additional data and information as necessary (sect. 10 of the standard clauses);

(b) Submit data and information from environmental monitoring programmes to the Legal and Technical Commission for consideration pursuant to article 165, paragraph 2 (d), of the Convention;

(c) Agree on adjustments to the programme of activities under schedule 2 of the contract (sect. 4.3 of the standard clauses);

(d) Undertake jointly with the contractor a periodic (five-year) review of the implementation of the plan of work for exploration, and to agree to a revised schedule 2 (sect. 4.4 of the standard clauses);

(e) Inspect vessels and installations (sect. 14.2 of the standard clauses), and provide relevant information to the contractor and sponsoring State(s) arising from the inspection reports (sect. 14.7 of the standard clauses);

(f) Report incidents giving rise to emergency orders and take immediate temporary measures (regulation No. 33);[1]

(g) Notify member States of a termination or change of sponsorship (see regulation No. 29).

16. The functions of the Legal and Technical Commission are set out in article 165, paragraph 2, of the Convention and are closely related to the functions of the Council under article 162. The system is designed to ensure that, in making decisions on important issues, the Council acts on the basis of the best available scientific and legal advice. The obligations placed on the Commission are mainly of an advisory or recommendatory nature and fall into the following four broad functional categories:

(a) Reviewing and making recommendations on plans of work for exploration (see art. 165, para. 2 (b));

(b) Supervising activities in the Area (art. 165, paras. 2 (a, c, i, j, k and m));

(c) Formulating and reviewing rules, regulations and procedures (art. 165, paras. 2 (f and g));

(d) Assessing the environmental implications of activities in the Area (art. 165, paras. 2 (d, e, h and l)).

17. Two of the general functions of the Commission under article 165 are directly related to the implementation of plans of work for exploration, namely the responsibilities under article 165, paragraph 2 (c) to supervise, upon the request of

[1] For the purposes of the present note, reference is made to the regulations on prospecting and exploration for polymetallic nodules in the Area (ISBA/19/C/17, annex).

the Council, activities in the Area, and under article 165, paragraph 2 (d), to prepare assessments of the environmental implications of activities in the Area.

18. Consistent with article 165, paragraph 2, the regulations empower the Commission to issue recommendations of a technical or administrative nature for the guidance of contractors to assist them in the implementation of the rules, regulations and procedures of the Authority. It is a contractual requirement that such recommendations be observed as far as reasonably practicable.

19. In order to enable the Commission to carry out its responsibility to prepare assessments of the environmental implications of activities in the Area pursuant to article 165, paragraph 2 (d), and make appropriate recommendations to the Council on the protection of the marine environment, data and information from environmental monitoring programmes submitted by contractors must be transmitted by the Secretary-General to the Commission (regulation 32, para. 2).

20. The Commission must also consider the report of the Secretary-General on the periodic review of the implementation of plans of work for exploration (regulation 28, para. 3).

21. The functions of the Council are, inter alia, to:

(a) Approve plans of work in accordance with paragraph 11 (a) in section 3 of the annex to the 1994 Agreement;

(b) Consider the report of the Secretary-General on the periodic reviews of the implementation of plans of work for exploration (regulation 28, para. 3);

(c) Invite the attention of the Assembly of the Authority to cases of non-compliance (art. 162, para. 2 (a));

(d) Exercise control over activities in the Area in accordance with article 153, paragraph 4, and the rules, regulations and procedures of the Authority (art. 162, para. 2 (l));

(e) Institute proceedings on behalf of the Authority before the Seabed Disputes Chamber in cases of non-compliance (art. 162, para. 2 (u));

(f) Establish appropriate mechanisms for directing and supervising a group of inspectors who shall inspect activities in the Area to determine whether part XI of the Convention, the rules, regulations and procedures of the Authority and the terms and conditions of any contract with the Authority are being complied with (art. 162, para. 2 (z));

(g) Suspend or terminate contracts if, in spite of written warnings from the Authority, a contractor has conducted its activities in such a way as to result in serious, persistent and wilful violations of the fundamental terms of the contract, part XI of the Convention, the 1994 Agreement and the rules, regulations and procedures of the Authority;

(h) Alternatively, or in the event of lesser violations, impose monetary penalties upon a contractor proportionate to the seriousness of the violation.

IV. Discussion and recommendations

22. A careful review of the relevant provisions of the Convention and the regulations revealed a clear separation of the functions in the organs of the Authority between licensing (approving plans of work in the form of contracts) and subsequent compliance with and enforcement of such contracts. For example, the functions of

directing and supervising an inspectorate, as well as taking enforcement action, rest exclusively with the Council.

23. The day-to-day responsibility for managing the implementation of plans of work for exploration and for reporting any instances of non-compliance lies with the Secretary-General, who exercises the powers and functions allocated to that position in a manner consistent with the Convention and the regulations. An inherent conflict of interest exists when the body that approves contracts for exploration and the financial terms thereof contracts is the same body that is responsible for ensuring compliance. In view of the potential consequences of non-compliance (see ISBA/24/C/5), it is important that the difference between those activities be well articulated and that the process for monitoring compliance and the responsibilities of the various organs of the Authority in relation thereto be clearly understood.

24. The annual reporting process and the quinquennial periodic review undertaken by the Secretary-General serve as important monitoring tools. They facilitate the measurement of the progress of the exploration work carried out on an annual basis against a contractor's approved plan of work, including its programme of activities, and serve to highlight proposed adjustments to that programme. The annual reporting process also provides the Authority with much needed data and information, for example, to evaluate, analyse and assess the environmental effects of exploration activities and to help the Authority to formulate relevant rules, regulations and procedures concerning the protection of the marine environment and safety. This is particularly important in connection with the data and information made available to the Commission to facilitate the fulfilment of its obligations under article 165, paragraph 2, of the Convention to provide guidance and recommendations to the Council.

25. In terms of distinguishing non-compliance from inadequate or incomplete performance against an approved plan of work, a more effective validation process is needed to determine whether a matter identified as potential non-compliance is, in fact, a case of non-compliance with the regulations. Improvements to the current process are ongoing, but a clearer understanding as to why certain reporting requirements have not been met or fulfilled would improve the Authority's understanding of the programmes and timelines of contractors. One way to achieve that would be by requiring contractors to provide more clearly defined programmes of activities with clear objectives that can be measured.

26. The Commission is invited to:

(a) Take note of the roles and responsibilities of the various organs engaged in monitoring compliance with the plans of work and its own role in monitoring the implementation of contractor programmes of activities as part of the annual reporting process;

(b) Note the improvements made to the annual reporting process, including the process of evaluating the annual reports;

(c) Provide additional guidance to the secretariat regarding the information needs of the Commission with respect to annual reporting by identifying subject areas and matters requiring greater and more targeted focus, and request the Secretary-General to further streamline the analysis of annual reports for use by the Commission;

(d) Request the Secretary-General to provide further details and analysis to the Commission on the implementation of the five-year programme of activities;

(e) Recommend how information relating to the activities of contractors may best be transmitted to the Council, in accordance with the responsibilities of the

Commission pursuant to article 165 of the Convention, to enable the Council to discharge its functions under article 162, paragraph 2;

(f) Request the Secretary-General to take up with the contractors the need for more clearly defined programmes of activities, reflecting the request made by the Assembly during the twenty-third session (see ISBA/23/A/13);

(g) Provide the Secretary-General with additional guidance to derive further benefit from and drive the improvement of the existing process.

International Seabed Authority ISBA/24/LTC/4

Legal and Technical Commission

Distr.: General
6 February 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part I
Kingston, 12–23 March 2018
Item 16 of the provisional agenda*
Review of the provisions of the regulations on prospecting and exploration relating to the option of offering an equity interest in a joint venture arrangement, with a view to aligning all regulations in that respect and to making a recommendation thereon for consideration by the Council at its next session

Issues related to the possible alignment of the Authority's regulations on prospecting and exploration concerning the offer of an equity interest in a joint venture arrangement

Note by the Secretariat

I. Introduction

1. In 2013, the Council of the International Seabed Authority adopted the amendments to the regulations on prospecting and exploration for polymetallic nodules in the Area recommended by the Legal and Technical Commission, in addition to an amendment to regulation 19 (see ISBA/19/C/17, annex). In the same decision, the Council requested the Commission to review the provisions of the three sets of regulations on prospecting and exploration for, respectively, polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area relating to the monopolization of activities in the Area and the option of offering an equity interest in a joint venture arrangement, with a view to possibly aligning all three sets of regulations in that respect, and to make a recommendation thereon for consideration by the Council at its twentieth session, in 2014.

2. In 2014, at its twentieth session, the Assembly approved amendments to regulation 21 of the regulations on polymetallic nodules with regard to the monopolization of activities in the Area.[1] Owing to other priorities, such as work on

* ISBA/24/LTC/L.1.

[1] ISBA/20/A/9. The amendment, consisted of inserting the following paragraph after paragraph 6: "7. The Legal and Technical Commission may recommend approval of a plan of work if it determines that such approval would not permit a State Party or entities sponsored by it to monopolize the conduct of activities in the Area with regard to polymetallic nodules or to preclude other States parties from activities in the Area with regard to polymetallic nodules."; and of renumbering the following paragraphs accordingly.

Please recycle

the draft exploitation regulations, the Commission had to defer consideration of whether the regulations on polymetallic nodules should also be revised in connection with the election of an equity interest or a reserved area contribution by an applicant for a plan of work for exploration.[2]

3. In 2016, in its decision relating to the summary report of the Chair of the Legal and Technical Commission (ISBA/22/C/28, para. 13), the Council reiterated the request that the Commission review the provisions of the regulations on prospecting and exploration relating to the option of offering an equity interest in a joint venture arrangement with a view to aligning all regulations in that respect, and to make a recommendation thereon for consideration by the Council at its following session.

4. In July 2017, the Commission held a preliminary discussion on the basis of an analysis by the Secretariat of the issues that an alignment raises (ISBA/23/LTC/CRP.6). In the light of those discussions, the Commission requested a detailed analysis of the legal and policy implications of including or not the option of offering an equity interest in a joint venture arrangement in the regulations on polymetallic nodules before making a recommendation to the Council.

5. The present note has been prepared to assist the Commission in its review of that question.

II. Background information on the current non-alignment of the regulations on polymetallic nodules with the regulations on polymetallic sulphides and the regulations on cobalt-rich ferromanganese crusts in relation to the option of offering an equity interest in a joint venture arrangement

6. The regulations on polymetallic sulphides and on cobalt-rich ferromanganese crusts both provide that each applicant may elect either to: (a) contribute a reserved area to carry out activities in the Area; or (b) offer an equity interest in a joint venture arrangement with the Enterprise, subject to certain specified terms and conditions.[2] At the time of reporting, 10 applicants had elected to offer an equity interest in a joint venture arrangement for exploration work for polymetallic sulphides or for cobalt-rich ferromanganese crusts, in lieu of providing a reserved area. Only the Government of the Russian Federation had opted for contributing a reserved area for exploration for cobalt-rich ferromanganese crusts.[3] The equity interest option has not yet been put into practice, as this option will only take effect at the exploitation phase. Neither have the terms and conditions of any joint venture arrangement been established, nor has any economic analysis of the value of such a joint venture to the Enterprise been undertaken.

7. No such election is possible under the regulations on polymetallic nodules.[4] In an application for approval of a plan of work for exploration with respect to non-reserved areas, the total area, which need not be a single continuous area, must be sufficiently large and of sufficient estimated commercial value to allow for two mining operations. The applicant is also required to indicate the coordinates dividing the area into two parts of equal estimated commercial value. The Council, acting on recommendation of the Commission, decides which area is to be allocated to the applicant and which area will become reserved to the Authority, on the basis of the

[2] See regulation 16 of the regulations on polymetallic sulphides and of the regulations on cobalt-rich ferromanganese crusts.

[3] See ISBA/20/C/4 and ISBA/20/C/24.

[4] See regulation 15 of the regulations on polymetallic nodules.

estimated commercial value of each part. The data and information to be submitted before the designation of a reserved area are detailed in regulation 16 and section II of annex II to the regulations.

8. The reason why the regulations on polymetallic nodules only provide for the contribution of a reserved area derives from the constituent instruments of the Authority. The site-banking system is elaborated on in annex III, article 8, of the United Nations Convention on the Law of the Sea. Pursuant to that article, each application for exploration for polymetallic nodules by a developed State or an entity sponsored by a developed State must cover an area large enough to accommodate two mining operations and must be divided into two parts of equal estimated commercial value. The application must contain sufficient data and information to enable the Council to designate a reserved area based on the estimated commercial value of each part. Without prejudice to the powers of the Authority provided in article 17 of annex III, the data to be submitted concerning polymetallic nodules must relate to mapping, sampling, the abundance of nodules and their metal content. The regulations on polymetallic nodules elaborate on the data to be submitted by each applicant, and the Legal and Technical Commission is required in article 165 (2) (b) of the Convention to review plans of work and to submit recommendations to the Council based solely on the grounds stated in annex III.

9. The designation of a reserved area was confirmed in the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, which refers to reserved areas designated pursuant to article 8 of annex III as follows: "Designation of a reserved area for the Authority in accordance with annex III, article 8, of the Convention shall take place in connection with approval of an application for a plan of work for exploration or approval of an application for a plan of work for exploration and exploitation" (annex, sect. 1, para. 10).

10. Members of the Commission will also recall the circumstances that have led to the current non-alignment of the three sets of regulations. The regulations on polymetallic sulphides and the regulations on cobalt-rich ferromanganese crusts provide an alternative to the designation of a reserved area because of the difficulties in transposing the reserved area approach, which is principally designed for two-dimensional resources (polymetallic nodules), to three-dimensional resources (polymetallic sulphides and cobalt-rich ferromanganese crusts). The regulations on polymetallic sulphides and the regulations on cobalt-rich ferromanganese crusts have, nevertheless, kept the option of contributing a reserved area. In the case of polymetallic sulphides and cobalt-rich ferromanganese crusts, which are three-dimensional in nature, no two occurrences are the same, and there may be substantial variation in grades of deposits, even within one seamount in the case of cobalt-rich ferromanganese crusts deposits, whereas in the case of polymetallic nodules, which are two-dimensional in nature, it is relatively easy to divide a potential nodule field into two areas of equal estimated commercial value. It was therefore considered that, in many cases, it would not be possible to determine two sites of equal estimated commercial value without substantial and costly exploration work. Consequently, it appeared to members of the Authority that it would be impracticable to implement a site-banking approach for polymetallic sulphides and cobalt-rich ferromanganese crusts in the same manner as for polymetallic nodules.

11. A decade separates the adoption of the regulations on polymetallic nodules from that of the regulations on polymetallic sulphides, on which, in turn, the regulations on cobalt-rich ferromanganese crusts were modelled. The non-alignment occurred at the time of adoption of the regulations on polymetallic sulphides. The sequence of adoption of the regulations shows that the differences between the regulations are due to the specific characteristics of polymetallic sulphides and cobalt-rich

ferromanganese crusts, which, it was expected, would make it very difficult for an applicant to submit two areas of estimated equal commercial value.

III. Legal and policy implications of the non-alignment of the regulations on polymetallic nodules

12. The designation of reserved areas is a key feature of part XI of the Convention and of the 1994 Agreement. Its ultimate objective is to ensure that reserved areas are set aside for the conduct of activities by the Authority through the Enterprise or in association with developing States. This is often referred to as the site-banking system. In the case of polymetallic nodules, the site-banking system has proved that it was operational. Since 2008, the Council has approved six applications for the exploration for polymetallic nodules in reserved areas in the Clarion-Clipperton Fracture Zone, each sponsored by a States member of the Authority, namely from Nauru Ocean Resources Inc. (sponsored by Nauru), Tonga Offshore Mining Limited (sponsored by Tonga), Marawa Research and Exploration Ltd. (sponsored by Kiribati), Ocean Mineral Singapore Pte. Ltd. (sponsored by Singapore), Cook Islands Investment Corporation (sponsored by the Cook Islands) and China Minmetals Corporation (sponsored by China). In addition, and as mentioned above, this option has even been elected by an applicant in the case of cobalt-rich ferromanganese crusts, demonstrating that the site-banking system can be implemented without any difficulty as soon as sufficient data are available.

13. Currently, the size of available reserved areas is 770,729.9 km^2 in the Clarion-Clipperton Fracture Zone and 158,853 km^2 in the Indian Ocean. With an exploration area of 75,000 km^2 per contract, this represents the possibility of 12 contracts for exploration for polymetallic nodules in reserved areas. Exploration activities in the reserved areas would also generate data and information on the marine environment, the topography and the mineral resources. Those data and information assist the Authority in developing regional environmental management plans and its database, and in administering the common heritage of mankind. Collectively, the reserved areas and the resources contained therein represent the core financial asset available to the Enterprise in the future and a key element in giving effect to the principle of the common heritage of mankind.

14. The designation of reserved areas for exploration for or exploitation of polymetallic nodules by the Enterprise or in association with developing States enables direct participation in the development of mineral resources by the Authority or developing States, or entities sponsored by them. The existence of reserved areas also enables qualified applicants to participate in the exploration for polymetallic nodules in the Area and to prepare themselves to proceed to the exploitation stage. Furthermore, each contractor for exploration in a reserved area provides and funds multiple training opportunities.

15. The Commission may also wish to consider the legal implications of a non-alignment of the regulations on polymetallic nodules. It may be noted that article 8 of annex III refers explicitly to polymetallic nodules, and it may be argued that article 8 was drafted with polymetallic nodules only in mind and tailored to the specific features of that mineral category. Furthermore, it may be recalled that, at the time of drafting that provision, research for polymetallic nodules had made data and information thereon available, which was not the case when the Authority embarked on elaborating the regulations on polymetallic sulphides and cobalt-rich ferromanganese crusts. The Commission may need to consider the implications of revisions to the regulations given that those regulations are subject to the provisions

of the Convention and the 1994 Agreement, as well as other rules of international law not incompatible with the Convention.

IV. Legal and policy implications of the alignment of the regulations on polymetallic nodules

16. In the context of polymetallic sulphides and cobalt-rich ferromanganese crusts, where the contribution of a reserved area is in competition with the offer of an equity interest in a joint venture arrangement, the practice since 2012 shows that all applicants but one have elected the latter option. Such a joint venture arrangement takes effect at the time when the applicant enters into a contract for exploitation. Within the framework of a joint venture, the Authority will therefore be able to participate, at least in principle, in the development of the resources of the Area. If the applicant does not enter into a contract for exploitation, however, the equity interest in a joint venture arrangement never takes effect and the benefits to the Authority are nil. Since the terms of any future joint venture arrangement have not been determined, it is unclear whether the value of a future joint venture is comparable with the known value of a reserved area.

17. If the regulations were aligned and future applicants elected to offer an equity interest rather than contributing reserved areas, this would have an impact on the reserved areas available for applications for approval of plans of work for exploration. The possibility of having fewer reserved areas in future would mean fewer opportunities for developing States to participate directly in activities in the Area, either in applying for the approval of plans of work or in sponsoring entities for the same purpose. Furthermore, the equity interest option would not result in the generation of data and information that would be available to the Enterprise or a qualified applicant from a developing member State of the Authority through the reserved area option.

18. The Commission may also wish to take into account the following legal implications of the revision to the regulations on polymetallic nodules to create an alternative to the contribution of a reserved area.

19. The first implication is in the light of the principle of uniform and non-discriminatory treatment among contractors by the Authority. Plans of work are approved on a uniform and non-discriminatory basis. This guarantees that contractors are treated equally and that none is given an advantage over others. If the regulations on polymetallic nodules were aligned with the other regulations, future contractors would have the choice to opt for an equity interest in a joint arrangement and therefore would spare the exploration costs and time that contractors that had no choice but to contribute a reserved area spent in collecting and analysing data and information to enable them to submit an application with two sites of equally estimated commercial value.

20. Furthermore, the Commission may wish to consider the implementation of the principle of non-discrimination in the context of the special processing of applications for approval of plans of work for exploration submitted by registered pioneer investors and the so-called "potential applicants".

21. The 1994 Agreement describes potential applicants as entities that have expended an amount equivalent to $30 million in research and exploration activities and no less than 10 percent of that amount in the location, survey and evaluation of

the area referred to in the plan of work.[5] In this regard, the Commission may wish to consider whether the alignment would introduce a discrepancy in the following ways.

22. Firstly, the Commission may wish to discuss whether the alignment of the regulations on polymetallic nodules would create a discrepancy between potential applicants that would have applied prior to the alignment (such as Germany represented by the German Federal Institute for Geosciences and Natural Resources)[6] and those that would apply after the alignment and have the possibility to opt for an equity interest in a joint venture arrangement.

23. Secondly, the Commission may wish to examine whether the alignment would result in a discriminatory treatment between the registered pioneer investors that all became contractors in 2001 and 2002 and the eligible potential applicants, which could now opt for the equity interest. In that regard, in comparing the treatment between potential applicants and registered pioneer investors, the Commission may wish to consider section 1, paragraph 6 (a) (iii), of the annex to the 1994 Agreement, in which it is stipulated that, in accordance with the principle of non-discrimination, a contract with a potential applicant shall include arrangements which shall be similar to and no less favourable than those agreed with any registered pioneer investors. If any of the potential applicants were granted more favourable arrangements, the Council should make similar and no less favourable arrangements with regard to the rights and obligations assumed by the registered pioneer investors, provided that such arrangements did not affect or prejudice the interests of the Authority.

24. Thirdly, the Commission may wish to consider whether the alignment would create a difference of treatment between contractors and new applicants, including potential applicants, which could opt for an equity interest in a joint venture arrangement. In this regard, the Commission may consider the requirement in regulation 21, paragraph 12, to apply the regulations on polymetallic nodules in a uniform and non-discriminatory manner in its consideration of applications.

25. Lastly, the Commission is invited to consider the conformity of an alignment of the regulations with the constituent instruments of the Authority, given that, as mentioned above, the regulations of the Authority have to be consistent with them. If an alignment were made, an applicant would have the choice between contributing a reserved area and offering an equity interest in a joint venture arrangement. The question then arises as to how this could be reconciled with the provisions of annex III, article 8, of the Convention, which only refers to the designation of a reserved area, to give effect to the parallel system in the case of polymetallic nodules. The Commission should therefore consider whether an alignment is possible without amending that article.

V. Conclusion

26. The Commission is invited to conclude its discussions on the present matter and to make a recommendation to the Council.

---

[5] This provision of the annex to the 1994 Agreement corresponds to the definition of those eligible to apply for pioneer status provided in resolution II, paragraph 1 (a), of the Third United Nations Conference on the Law of the Sea.

[6] See ISBA/11/C/10.

International Seabed Authority ISBA/24/LTC/5

Legal and Technical Commission

Distr.: General
17 April 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part I
Kingston, 12–23 March 2018
Agenda item 5
Status of the implementation of training programmes under plans of work for exploration and the allocation of training opportunities

Selection of candidates for training programmes under plans of work for exploration

Recommendation by the Legal and Technical Commission

I. Introduction

1. Pursuant to their contracts for exploration with the International Seabed Authority, the Ministry of Natural Resources and Environment of the Russian Federation, the Federal Institute for Geosciences and Natural Resources of Germany (BGR), the Ministry of Oceans and Fisheries of the Republic of Korea, the Institut français de recherche pour l'exploitation de la mer (Ifremer), the China Ocean Mineral Resources Research and Development Association (COMRA), Global Sea Mineral Resources NV (GSR) and the Interoceanmetal Joint Organization (IOM) submitted training proposals to the secretariat.

2. At its meeting held on 12 March 2018, the Legal and Technical Commission appointed a subgroup to evaluate and recommend candidates for training opportunities. It had been agreed that the subgroup would work with the secretariat between sessions to identify appropriate candidates for training opportunities (see ISBA/20/LTC/13, paras. 11–13). In selecting candidates, the subgroup considered the relevant regulations and the principles, policies and procedures applicable to the training programmes, in particular the recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration (ISBA/19/LTC/14).

3. Owing to the scheduling demands of the Ministry of Natural Resources and Environment, BGR, the Ministry of Oceans and Fisheries and Ifremer, the subgroup appointed during the previous session was required to select candidates prior to the March 2018 meetings of the Commission. To accommodate the contractors' requests, the subgroup made intersessional selections by means of email communication. The

18-06154 (E) 240418

Please recycle

other selections, however, were made according to the normal selection process during part I of the 2018 session.

4. Candidates were selected on the basis of the qualification criteria provided by each contractor for their respective programmes, in particular language proficiency, educational background, work experience, potential career development, reasons for seeking training, expected benefit to the candidates' countries of origin and other merits specified in the application material. In addition to those considerations, due regard was paid to gender balance and equitable geographical distribution, in particular the interests and needs of landlocked and geographically disadvantaged developing States, as requested by the Council in a decision adopted at the twentieth session (see ISBA/20/C/31, para. 6).

II. Intersessional selection of candidates

5. On 19 June 2017, the Ministry of Natural Resources and Environment of the Russian Federation submitted two revised training proposals to the Authority. The first proposal was submitted pursuant to the contract for exploration for cobalt-rich ferromanganese crusts signed with the Authority on 10 March 2015. In its proposal, the Ministry offered a theoretical and at-sea training opportunity for three candidates. The first part of the training programme would be held at Saint Petersburg State University for some 15 days, while the second part, the scientific cruise, was to be carried out aboard the research vessel *Gelendzhik* in the Clarion-Clipperton Fracture Zone of the Pacific Ocean for some 60 days starting in October 2017.

6. The second proposal was submitted in accordance with the contract for exploration for polymetallic sulphides signed with the Authority on 29 October 2012. In the proposal, the Ministry offered two training places for candidates to participate in a two-week theoretical training programme at Saint Petersburg State University and an at-sea training opportunity aboard the research vessel *Professor Lagachev* in the area of the Mid-Atlantic Ridge. The six-week cruise was scheduled for November 2017 to January 2018 and would focus on marine geological research.

7. On 24 July, BGR submitted a training proposal in accordance with its exploration contract for polymetallic nodules signed with the Authority on 19 July 2006. It offered two at-sea training places for candidates from developing States aboard the research vessel *Sonne* in the north-east Pacific Ocean. The cruise, which is planned for approximately 30 working days in April or May 2018, will be followed by a four-week post-cruise training course in Hannover, Germany. Trainees will participate in the collection and processing of manganese nodules and sediment samples from a deep-sea environment for resource evaluation as well as environmental and biodiversity studies.

8. On 12 December, a training proposal was received from the Ministry of Oceans and Fisheries of the Republic of Korea under its contract for exploration for polymetallic nodules with the Authority. The Ministry offered two at-sea training places for candidates from developing States aboard the research vessel *Kilo Moana*, operated by the University of Hawaii. The focus of the cruise, organized by the Korea Institute of Ocean Science and Technology, is on geological and biological sampling and the collection of environmental baseline data in the Republic of Korea contract area for polymetallic nodules over some 30 days between March and April 2018.

9. On 8 December, Ifremer submitted a training proposal to the Authority, offering two internships for candidates from developing States to acquire practical knowledge of deep-ocean environmental studies at the Ifremer deep-sea ecosystems studies laboratory in Brest, France. The proposal was as follows:

(a) The first of the two internships was submitted pursuant to the contract for the exploration for polymetallic nodules signed with the Authority on 20 June 2001. One candidate will participate in a programme from mid-May to mid-July 2018 to develop skills in morphological and molecular taxonomy, including the morphological identification and DNA barcoding of specimens belonging to the class Polychaeta, using box core samples from the Fracture Zone;

(b) The second internship, which is scheduled for May to June 2018, was submitted in accordance with the contract for the exploration for polymetallic sulphides signed with the Authority on 18 November 2014. This internship will focus on the study of the reproductive characteristics of a vent-endemic species, the shrimp *Rimicaris exoculata* from the Mid-Atlantic Ridge.

10. The training opportunities were sent to the members of the Authority for the purpose of nominating candidates. They were also advertised on the website of the Authority and through social media platforms. In addition, the roster of alternate candidates, as outlined in paragraphs 11 to 13 of document ISBA/20/LTC/13, was activated to facilitate expedited requests for candidates from the Ministry of Oceans and Fisheries of the Republic of Korea and Ifremer. The following applications were evaluated:

(a) Ministry of Natural Resources and Environment training programme on cobalt-rich ferromanganese crusts: 19 applications (10 from the African Group, 4 from the Asia-Pacific Group, 4 from the Latin American and Caribbean Group and 1 from an observer State; 6 women and 13 men);

(b) Ministry of Natural Resources and Environment training programme on polymetallic sulphides: 26 applications (15 from the African Group, 6 from the Asia-Pacific Group and 5 from the Latin American and Caribbean Group; 9 women and 17 men);

(c) BGR training programme: 60 applications (38 from the African Group, 13 from the Asia-Pacific Group, 8 from the Latin American and Caribbean Group and 1 from an observer State; 17 women and 43 men);

(d) Ministry of Oceans and Fisheries training programme: 14 applications (6 from the African Group, 4 from the Asia-Pacific Group and 4 from the Latin American and Caribbean Group; 6 women and 8 men);

(e) Ifremer internships: 17 applications (7 from the African Group, 7 from the Asia-Pacific Group and 3 from the Latin American and Caribbean Group; 7 women and 10 men).

11. On the basis of the selection criteria and recommendations approved by the Commission, and taking into account consultations between the contractors and the secretariat, the subgroup agreed to recommend to the Commission the following first-ranked candidates and alternates for the above-mentioned training programmes:

Ministry of Natural Resources and Environment training programme on cobalt-rich ferromanganese crusts

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Nuengruethai Phornlam	Female	Thailand
2. Md. Sheik	Male	Bangladesh
3. Moses O. Adeoye	Male	Nigeria
Alternates		
1. Cheyne Howell	Male	Jamaica
2. Crisostomo Masangkay	Male	Philippines
3. Ahmed Badr el-Din	Male	Egypt

Ministry of Natural Resources and Environment training programme on polymetallic sulphides

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Natasha Stanton	Female	Brazil
2. Joseph Aisakbokhae	Male	Nigeria
Alternates		
1. Ismail Folorunso	Male	Nigeria
2. Albertine Bermile	Male	Ghana

BGR training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Abner Nghoongoloka	Male	Namibia
2. Christine Mae Edullantes	Female	Philippines
Alternates		
1. Cheyne Howell	Male	Jamaica
2. Safiyya Sedick	Female	South Africa

Ministry of Oceans and Fisheries training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Isabel Garcia Arevalo	Female	Ecuador
2. Safiyya Sedick	Female	South Africa
Alternates		
1. Ahmed Mohamed Gad	Male	Egypt
2. Hai Trinh Le	Male	Viet Nam
3. Karina Melias Astriandhita	Female	Indonesia

Ifremer internship on polymetallic nodules

Name	*Gender*	*Country of origin*
First-ranked candidate		
1. Clóvis Motta Neto	Male	Brazil
Alternates		
1. Gavin Campbell	Male	Jamaica
2. Mohamad Abu Hassan	Male	Malaysia

Ifremer internship on polymetallic sulphides

Name	*Gender*	*Country of origin*
First-ranked candidate		
1. Morzina Leela	Female	Bangladesh
Alternates		
1. Abdul-Rahman Dirisu	Male	Nigeria
2. Stella Ukaono	Female	Nigeria

III. Selection of candidates in March 2018

12. During its meetings held from 12 to 23 March 2018, the Commission met to advise the Secretary-General on the selection of candidates for training programmes proposed by GSR, COMRA, the Ministry of Oceans and Fisheries of the Republic of Korea and IOM.

13. On 9 November 2017, GSR submitted a training proposal in accordance with its contract for exploration for polymetallic nodules signed with the Authority on 14 January 2013. It offered five training opportunities, including one fellowship for a master's degree programme in marine and lacustrine science and management, two places at a 2018 seminar on dredging technologies at the Antwerp Port Training

Centre and two places at the 2018 session of the Rhodes Academy of Oceans Law and Policy.

14. On 12 December, COMRA submitted a training proposal in accordance with its contract for exploration for cobalt-rich ferromanganese crusts signed with the Authority on 29 April 2014. It offered two training positions in an engineering programme in either Beijing or Changsha, China.

15. On 12 December, a training proposal was received from the Ministry of Oceans and Fisheries of the Republic of Korea, under its contract for exploration for polymetallic sulphides with the Authority. The Ministry offered two at-sea training places aboard the research vessel *Isabu*. The cruise, organized by the Korea Institute of Ocean Science and Technology, will focus on geological and biological sampling and the collection of environmental baseline data at the Central Indian Ridge. It is planned for approximately 40 days between May and June 2018.

16. On 18 December, IOM submitted a training proposal in accordance with its contract for exploration for polymetallic nodules signed with the Authority on 29 March 2001. It offered two training places for a comprehensive six-week multidisciplinary training programme in the field of polymetallic nodules, project management (including exploration, value chain and economic factors), environmental research and metallurgical processing.

17. The training proposals were advertised on the website of the Authority and through social media platforms. The subgroup evaluated the following applications during part I of the Commission's session:

(a) GSR Rhodes Academy: 27 candidates (4 from the African Group, 6 from the Asia-Pacific Group, 14 from the Latin American and Caribbean Group and 3 from observer States; 12 women and 15 men);

(b) GSR dredging seminar: 13 candidates (6 from the African Group, 4 from the Asia-Pacific Group and 3 from the Latin American and Caribbean Group; 1 woman and 12 men);

(c) GSR master's fellowship: 3 candidates (1 from the African Group, 1 from the Asia-Pacific Group and 1 from the Latin American and Caribbean Group; all men);

(d) COMRA training programme: 10 candidates (7 from the African Group, 2 from the Latin American and Caribbean Group and 1 from the Western European and Others Group; 4 women and 6 men);

(e) Ministry of Oceans and Fisheries training programme: 13 candidates (5 from the African Group, 5 from the Asia-Pacific Group and 3 from the Latin American and Caribbean Group; 2 women and 11 men);

(f) IOM training programme: 34 candidates (19 from the African Group, 9 from the Asia-Pacific Group, 2 from the Western European and Others Group, 3 from the Latin American and Caribbean Group and 1 from an observer State; 10 women and 24 men).

18. The final recommendations are as follows:

GSR Rhodes Academy

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Rochelle Lee	Female	Jamaica
2. Thiha Thiha Thwin	Male	Myanmar
Alternates		
1. Cesar Peniche Luna	Male	Mexico
2. Khin Thandar Oo	Female	Myanmar
3. Victor Ventura	Male	Brazil
4. Deniece Aiken	Female	Jamaica
5. Neil Silva	Male	Philippines

GSR dredging seminar

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Danellia Aitcheson	Female	Jamaica
2. Elle Pathirathnalage Thilakarathne	Male	Sri Lanka
Alternates		
1. Wai Phyo Hein	Male	Myanmar
2. Haider Emon	Male	Bangladesh

COMRA training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Karla Tituana Baren	Female	Ecuador
2. Koffi Vossah Messan	Male	Cameroon
Alternates		
1. Adebayo Adebusuyi Longe	Male	Nigeria
2. Chinedu Okweze	Male	Nigeria

Ministry of Oceans and Fisheries training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Acer Jian T. Figueroa	Male	Philippines
2. Jocelyne Mpemba Kazadi	Female	Democratic Republic of the Congo
Alternates		
1. Essam El-Shorbagi	Male	Egypt
2. Karina Melias Astriandhita	Female	Indonesia

IOM training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Karina Melias Astriandhita	Female	Indonesia
2. Mohamed S.G. Awad	Male	Egypt
Alternates		
1. Shahtaj Karim	Female	Bangladesh
2. Thiwaporn Phonsit	Female	Thailand
3. Bryan M. Cababan	Male	Philippines

19. After considering the very small number of applicants (three), the subgroup recommended that the GSR master's fellowship be re-advertised and that the secretariat make a concerted effort to attract enough qualified applicants.

20. The Commission accepted the recommendations of the subgroup and its list of preferred candidates for the training programmes.

IV. Other recommendations

21. During the selection of candidates, the subgroup made the following observations and recommendations:

(a) The secretariat needed to find more innovative methods to advertise training opportunities to ensure enough applications from qualified candidates;

(b) Several candidates who had previously received training had reapplied for training opportunities. To ensure that as wide a cross section of candidates from developing States benefited from those opportunities, such applicants should not be considered for a training opportunity similar to the type that they had received within the past five years. They could, however, apply for another type of training within five years of receiving another training opportunity. That fact would have to be noted.

22. The Commission expressed gratitude to the secretariat for appointing a dedicated training coordinator, as that had improved the handling of applications and facilitated the selection of candidates.

23. The Commission accepted the recommendations made by the subgroup.

International Seabed Authority ISBA/24/LTC/6

Legal and Technical Commission

Distr.: General
15 May 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part II
Kingston, 2–13 July 2018
Agenda item 10
Consideration and adoption of the draft regulations on the exploitation of mineral resources in the Area

Draft regulations on the exploitation of mineral resources in the Area

Note by the secretariat

I. Introduction

1. The purpose of the present note is to provide the Legal and Technical Commission with an update on the development of draft regulations on the exploitation of mineral resources in the Area.

II. Background and progress to date

2. At its meetings in March 2018, the Commission continued its detailed review of the draft regulations[1] presented to the Authority and other stakeholders in August 2017 (see ISBA/24/C/9, sect. III.A). In the review, the Commission also considered requests from the Council (see ISBA/24/C/8, sect. VIII) and stakeholder responses to the draft regulations. The Commission then provided the secretariat with its comments, to be incorporated into a revised draft of the regulations. On the basis of its best judgment in reflecting those comments, the secretariat has prepared a revised text of the draft regulations (ISBA/24/LTC/WP.1 and ISBA/24/LTC/WP.1/Add.1).

III. Overview of structure and content of the revised draft regulations

3. The overall approach to revising the draft regulations has been to improve the structure and logical flow of the regulatory text and to achieve better balance between

[1] ISBA/23/LTC/CRP.3. Available from www.isa.org.jm/files/documents/EN/Regs/DraftExpl/ISBA23-LTC-CRP3-Rev.pdf.

Please recycle

the rights and obligations of contractors. In order to aid further discussion of the structure and content of the draft, a table of contents has been added.

4. Part I of the revised draft contains a new regulation (draft regulation 2) proposed by the Commission to reflect the fundamental principles underlying the management and administration of exploitation activities in the Area and to strengthen the principle of the common heritage of mankind in the regulatory text, as requested by the Council (ISBA/24/C/8, para. 22 (a)). Part I also includes the duty of cooperation between various actors and the specific nature of that duty. Part II covers the requirements and process for the consideration of an application for the approval of a plan of work for exploitation (see sect. IV below and the annex to the present note).

5. Part III sets out the rights and obligations of contractors, including a new regulation on exclusive rights under exploitation contracts (draft regulation 19). That part also includes a more detailed mechanism for review prior to the commencement of production (draft regulation 26), together with the requirements relating to the environmental performance guarantee (draft regulation 27). Draft regulation 23, which relates to the use of an exploitation contract as security, has been modified. Draft regulation 31, which concerns the optimal mining of resources, has also been amended; this regulation is not intended to regulate commercial production per se, but to ensure the efficient conduct of activities in accordance with article 150 (b) of the United Nations Convention on the Law of the Sea.

6. The Commission revisited and expanded the content of part IV, which relates to the protection and preservation of the marine environment, to include details on the process for the assessment of environmental management and monitoring plans (draft regulation 50). Part IV, section 4, also provides for the establishment and use of an environmental liability trust fund, which will require further consideration in due course, including with regard to its funding and the interplay between such a fund, the environmental performance guarantee (draft regulation 27), insurance (draft regulation 38) and the regulation of environmental matters. The Commission agreed on the removal of the scoping exercise from the exploitation regulations, as scoping is more appropriately reflected under the exploration framework.

7. Part V addresses the process and procedure for material changes to plans of work (draft regulation 55), including updates to environmental management and monitoring plans. In draft regulation 56, the five-year review period has been retained, with the addition of various events or circumstances that would trigger a review of activities under a plan of work.

8. Part VI is now dedicated to closure plans and post-closure monitoring. While the indicative content for a closure plan is set out in annex VIII to the draft regulations, the objectives and principles of closure remain a topic for discussion.

9. Part VII relates to the administration and management of royalty payments under exploitation contracts. It now includes a regulation relating to financial incentives (draft regulation 61), in addition to some minor changes to the text. The provisions relating to the calculation of royalty payments have been moved to appendix IV, allowing for a more streamlined amendment process during the operational phase. Both the Council and the Commission benefited from a presentation by experts from the Massachusetts Institute of Technology in March 2018 in connection with the development of an economic model. Reflecting that exchange of views, the experts will present an update on their findings and suggestions, as well as responses to the questions raised by the Commission, to the Council, Commission and Finance Committee in July 2018.

10. Part VIII of the draft now consolidates all regulations on annual, administrative and other applicable fees into a single part.

11. In part IX, which relates to confidentiality, the definition of confidential information now includes data and information so designated by the Council (draft regulation 87 (2) (c)). This follows stakeholder support for the development of a list of types of confidential information, which was endorsed by the Council. A process to develop this list and the timing of its development have yet to be addressed. Procedures to ensure confidentiality (draft regulation 88) have been expanded to mirror the text of the exploration regulations.

12. Part X, which contains general provisions, now also includes the process for the adoption of standards as defined in the draft regulations (draft regulation 92) and the issue of guidance documents (draft regulation 93). In part XI, the topics of inspection, compliance and enforcement have been consolidated into one part.

13. The content of part XII, relating to the settlement of disputes, has been streamlined, and the proposed administrative review mechanism has been removed in the light of comments from member States and the Commission concerning the finely crafted dispute settlement provisions of part XI, section 5, of the Convention.

14. The content of the annexes and appendices remains open for further comments and input from the Commission and should be considered indicative at the present time.[2]

IV. Key concepts and areas for development

Standards and guidelines

15. Draft regulation 1 (5) provides that the regulations are to be supplemented by standards and guidelines.

16. The draft regulations presented in August 2017 contained references to "guidelines" and "standards" of the Authority and to "recommendations" of the Commission, which gave rise to possible confusion in the regulatory text. Various requests were addressed to the Commission by the Council, including requests to re-examine the legal status of the Commission's recommendations, to formulate a process for the development of standards and guidelines and to consider the timing of a workshop for that purpose (see ISBA/24/C/8, paras. 35–39).

17. The revised draft regulations provide for the adoption of standards by the Council on the basis of recommendations of the Commission (draft regulation 92), and for the issuance of guidelines by either the Commission or the Secretary-General, with the necessary degree of oversight by the Council with regard to the content of guidelines (draft regulation 93). In future, the Commission will issue "guidelines" rather than "recommendations".

18. As currently envisaged, standards will play a key role in the implementation of the regulations and in monitoring performance and will reflect substantive requirements. Guidelines will support the implementation of the regulations from an administrative and technical perspective. They will also clarify documentation requirements for applications, specify process requirements (e.g., for the public comment process, annual reporting and periodic review) and provide guidance on the interpretation of regulatory provisions. Both standards and guidelines will contribute to the development of good industry practice and provide a flexible framework which can be adapted in the light of new knowledge and information. While standards can

[2] Owing to the review process and translation workflow, the template for the environmental impact statement will be issued as an addendum to ISBA/24/LTC/WP.1 so as not to delay the release of the draft regulations.

in principle be considered mandatory and guidelines recommendatory in nature, the legal status of each will be determined largely by their content.

19. At its meetings in March 2018, the Commission set up a working group to examine the role of standards and guidelines and to prepare terms of reference for a future workshop on standards. The group will continue its work, including the preparation of terms of reference for a separate workshop on guidelines, during part II of the 2018 session, to be held in July.

Good industry practice, best environmental practice and best available techniques

20. The draft contains a number of definitions and key concepts which appear repeatedly in the regulatory text, including "good industry practice" and "best environmental practice". Those terms and their respective meanings are fundamental to supporting the delivery of best practice. At its meetings in March, the Commission acknowledged that further work must be carried out in defining and operationalizing these key concepts, including the development of appropriate criteria, which draw on examples from parallel regulatory regimes. The Commission also acknowledged the absence of the concept of best available techniques in the previous draft. Best available techniques are now mentioned in draft regulation 13 (3) (f) and draft regulation 46 (b), for further consideration, including the development of suitable criteria to support their implementation.

V. Moving from exploration to exploitation

21. For the sake of clarity, the annex to the present note contains a flow chart depicting the application and approval process for a plan of work for exploitation, and the approval mechanism for any material changes to a plan of work after the execution of an exploitation contract and prior to the commencement of production.

22. The documentation requirements for an application are listed in draft regulation 7 (3), and indicative content for certain documents is set out in the relevant annexes to the draft regulations. Detailed guidance on the content and format of the respective parts of a plan of work will require expert drafting in due course.

23. The content of an application is based on the results, data and information arising from exploration activities, as prescribed in the regulations. At its meetings in March, the Commission examined section 11 of the standard clauses for exploration contracts. Such data and information include copies of geological, environmental, geochemical and geophysical data, geological, technical, financial and economic reports and the estimation of mineable areas, mineral reserves and anticipated mining conditions, and will form the primary input with regard to information needs for an exploitation application.

24. The requirement of a mining workplan has been reintroduced, and the content of such a workplan has been broadly outlined in annex II to the draft regulations. Such a workplan is to be based on the results of exploration at a pre-feasibility study level for an application[3] and updated in the light of a feasibility study to be submitted prior to the commencement of production (draft regulation 26 (1)).

[3] Enclosure 1 to annex V to ISBA/21/LTC/15 provides guidance on the type and level of the study to be undertaken to enable the conversion of mineral resources into mineral reserves. The reporting standard of the Authority does not require a final feasibility study to have been conducted in order to convert mineral resources into mineral reserves, but it requires that studies, at least at the pre-feasibility level, have determined a mining workplan that is technically achievable and economically viable and that all modifying factors have been considered.

25. The Commission will continue its re-examination of information needs and documentation requirements for an application for a plan of work for exploitation, and it will provide any necessary clarification in due course. At the same time, the Commission highlighted that its recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area (ISBA/19/LTC/8) and its recommendations on the content, format and structure of annual reports (ISBA/21/LTC/15) set out the information needs of the Authority in anticipation of commercial exploitation activities.

Contract area and mining area

26. The Commission also examined the concepts of "contract area" and "mining area". On the basis of the results of exploration, specific mining areas will be identified under a proposed plan of work for exploitation. Identified mineral reserves will be recovered from those mining areas in accordance with the exploitation contract. Under draft regulation 55, mining areas may be modified from time to time. The mining area or areas sit within a wider contract area, within which exploration activities may be carried out.

27. The total area allocated to a contractor (i.e., the contract area) cannot exceed the area that would remain under a contract for exploration (draft regulation 16 (3) (c)). In the case of polymetallic nodules, approved mining areas within the contract area would typically account for some 10 to 15 per cent of the total area.

28. The revised draft provides for the exclusive right to explore and exploit a resource in the contract area (draft regulation 19 (1)).[4] Draft regulation 19 (7) provides that any exploration activities are to be conducted under the applicable exploration regulations and reported on in an annual report (draft regulation 40 (2) (k)). However, while there is an exclusive right to explore, there is no corresponding obligation to do so. The Commission will re-examine this matter at its meetings in July and provide feedback to the Council.

VI. Commentary and action by the Commission

29. The Commission is invited to review the draft texts in documents ISBA/24/LTC/WP.1 and ISBA/24/LTC/WP.1/Add.1 during its forthcoming meetings, making such revisions as may be necessary. The Commission is also invited to prepare a report to the Council identifying matters requiring further investigation or study and any matters requiring direction or guidance from the Council (see ISBA/24/C/8, para. 20).

30. The Commission is also invited:

(a) To consider, in collaboration with the Finance Committee, a recommendation to the Council on a suggested working methodology and way forward in the development of a payment mechanism and the financial terms of a contract;

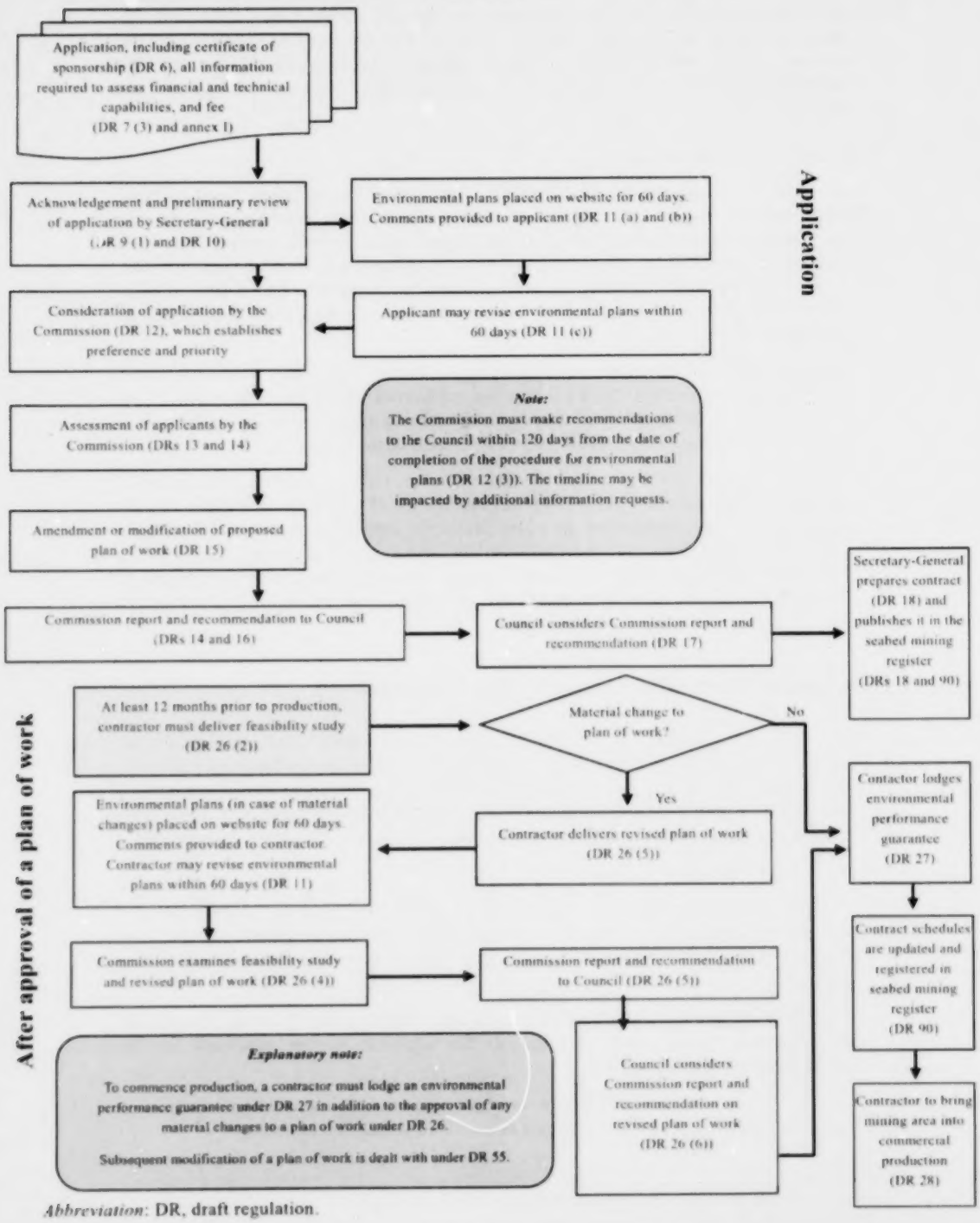
(b) To provide input on the terms of reference for a workshop on the development and adoption of standards for activities in the Area and for the development of guidelines;

(c) To consider further how to regulate continued exploration activities in areas not subject to mining workplans under an exploitation contract.

[4] Save for minor modification, the definitions of "exploitation" and "exploration" now reflect the meaning of those terms as defined under the exploration regulations.

Annex

Application and approval process for a plan of work for exploitation in the form of a contract


Application
Application, including certificate of sponsorship (DR 6), all information required to assess financial and technical capabilities, and fee (DR 7 (3) and annex I)
Acknowledgement and preliminary review of application by Secretary-General (DR 9 (1) and DR 10)
Environmental plans placed on website for 60 days. Comments provided to applicant (DR 11 (a) and (b))
Consideration of application by the Commission (DR 12), which establishes preference and priority
Applicant may revise environmental plans within 60 days (DR 11 (c))
Note:
The Commission must make recommendations to the Council within 120 days from the date of completion of the procedure for environmental plans (DR 12 (3)). The timeline may be impacted by additional information requests.
Assessment of applicants by the Commission (DRs 13 and 14)
Amendment or modification of proposed plan of work (DR 15)
Commission report and recommendation to Council (DRs 14 and 16)
Council considers Commission report and recommendation (DR 17)
Secretary-General prepares contract (DR 18) and publishes it in the seabed mining register (DRs 18 and 90)
After approval of a plan of work
At least 12 months prior to production, contractor must deliver feasibility study (DR 26 (2))
Material change to plan of work?
No
Yes
Contactor lodges environmental performance guarantee (DR 27)
Environmental plans (in case of material changes) placed on website for 60 days. Comments provided to contractor. Contractor may revise environmental plans within 60 days (DR 11)
Contractor delivers revised plan of work (DR 26 (5))
Contract schedules are updated and registered in seabed mining register (DR 90)
Commission examines feasibility study and revised plan of work (DR 26 (4))
Commission report and recommendation to Council (DR 26 (5))
Explanatory note:
To commence production, a contractor must lodge an environmental performance guarantee under DR 27 in addition to the approval of any material changes to a plan of work under DR 26.
Subsequent modification of a plan of work is dealt with under DR 55.
Council considers Commission report and recommendation on revised plan of work (DR 26 (6))
Contractor to bring mining area into commercial production (DR 28)

Abbreviation: DR, draft regulation.

International Seabed Authority ISBA/24/LTC/7

Legal and Technical Commission

Distr.: Limited
18 May 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part II
Kingston, 2–13 July 2018

Review of environmental impact assessments for the testing of collector components in the exploration area

Note by the secretariat

1. On 28 March 2018, the Secretary-General received an environmental impact assessment for the testing of collector components in the German contract area from the Federal Ministry of Economic Affairs and Energy of Germany, as prepared by the German Federal Institute for Geosciences and Natural Resources (BGR) and approved by the German State Authority for Mining, Energy and Geology. In the assessment, it was outlined that an in situ technical test of a pre-prototype nodule collector vehicle currently being developed by Global Sea Mineral Resources (GSR), a subsidiary of the Dredging, Environmental and Marine Engineering (DEME) Group of Belgium, is planned for April 2019, in the eastern part of the BGR contract area, for the exploration of polymetallic nodules in the Clarion-Clipperton Fracture Zone.

2. On 30 March 2018, the Secretary-General received an environmental impact assessment from GSR for the testing of collector components in its contract area. GSR is developing a pre-prototype nodule collector vehicle equipped with a launch and recovery system, planned to be deployed and trialled in its contract area in the Fracture Zone in April 2019.

3. It is noted that both submissions are in line with the requirement that the prior environmental impact assessment be submitted by the contractor to the Secretary-General at least one year before the proposed activity takes place and at least three months in advance of the annual session of the Authority, as prescribed in the recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area (the recommendations) (see ISBA/19/LTC/8, para. 20).

4. Pursuant to paragraph 19 of the recommendations, the testing of collection systems and equipment requires a prior environmental impact assessment, and a monitoring programme is needed before, during and after the specific activity. In discussions with BGR and GSR regarding the format and content of the proposed assessment, the secretariat had drawn attention to paragraph 52 of the explanatory commentary (see annex I to the recommendations, in which the key components of a plan for the testing of collection systems are outlined) and to annex V to the draft

Please recycle

regulations on exploitation of mineral resources in the area in the form in which they had been circulated in 2017 (see ISBA/23/LTC/CRP.3), which contains a template for an environmental impact statement and forms a useful point of reference for this purpose.

5. The Commission may also recall that, pursuant to paragraph 51 of annex I to the recommendations, the environmental studies conducted during exploration, including the monitoring of tests, will be based on a plan proposed by the contractor and reviewed by the Commission for completeness, accuracy and statistical reliability.

6. Both submissions will be put on the agenda of the meeting of the Commission, which will be held from 2 to 13 July 2018.

7. With a view to assisting the Commission in its consideration of the environmental impact assessments within 20 days of their receipt, the secretariat conducted an initial technical review of both assessments for completeness against the template for an environmental impact statement contained in annex V to the draft exploitation regulations. As a result of its review, the secretariat identified the need for additional documentation relating to the proposed environmental monitoring programme, which has been requested of each contractor.

8. Once the completeness of the documentation has been acknowledged by the secretariat, the secretariat will continue its evaluation of the environmental impact assessments for accuracy and statistical reliability. It is proposed that this will be conducted through an external peer review, carried out individually by at least two internationally recognized external experts. That will take place within 45 working days of submission.

9. Evaluation reports prepared respectively by the secretariat and by the external experts will be made available to the Commission prior to its next meeting in July 2018, with a view to assisting the Commission in conducting its review. The evaluation reports are intended to be completed within 60 days of the submission.

10. It is understood that both contractors, GSR and BGR, will hold public consultations in Belgium and Germany, respectively. These will not involve the Authority. The Authority will post the environmental impact assessments on its website for access by the general public in due course and prior to the twenty-fourth session of the Authority.

11. The Commission is invited to review both environmental impact assessments and their associated monitoring plans and to make any comments and suggestions, which may be communicated by the Secretary-General to BGR and GSR at the earliest opportunity.

International Seabed Authority ISBA/24/LTC/8

Legal and Technical Commission

Distr.: General
13 June 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part II
Kingston, 2–13 July 2018
Agenda item 8
Report on the periodic reviews of the implementation of plans of work for exploration

Report on the periodic reviews of the implementation of plans of work for exploration

Note by the Secretary-General

I. Introduction

1. The present note provides information on the status of the periodic reviews of current contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area.

2. In accordance with regulation 28 of the regulations on prospecting and exploration for polymetallic nodules in the Area (ISBA/19/C/17, annex, and ISBA/20/A/9), regulation 30 of the regulations on prospecting and exploration for polymetallic sulphides in the Area (ISBA/16/A/12/Rev.1, annex) and regulation 30 of the regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area (ISBA/18/A/11, annex), the contractor and the Secretary-General of the International Seabed Authority shall jointly undertake a periodic review of the implementation of the plan of work for exploration at intervals of five years. The Secretary-General may request the contractor to submit such additional data and information as may be necessary for the purposes of the review. In the light of the review, the contractor shall indicate its programme of activities for the following five-year period, making such adjustments to its previous programme of activities as are necessary. The Secretary-General shall report on the review to the Legal and Technical Commission and the Council of the International Seabed Authority. The Secretary-General shall indicate in the report whether any observations transmitted to him by States parties to the United Nations Convention on the Law of the Sea concerning the manner in which the contractor has discharged its obligations under the regulations relating to the protection and preservation of the marine environment were taken into account in the review.

3. In addition, section 4.4 of the standard clauses for exploration contracts (see annex 4 to the regulations for polymetallic sulphides and annex IV to the regulations

18-09755 (E) 200618

Please recycle

for polymetallic nodules and for cobalt-rich ferromanganese crusts) provides that, not later than 90 days prior to the expiration of each five-year period from the date on which the contract enters into force, the contractor and the Secretary-General shall jointly undertake a review of the implementation of the plan of work for exploration. In the light of the review, the contractor shall indicate its programme of activities for the following five-year period, including a revised schedule of anticipated yearly expenditure, making such adjustments to its plan of work as are necessary. The revised plan of work will then be incorporated into the contract. In accordance with section 24.3 of the standard clauses, this is done in writing through an instrument (in the form of an exchange of letters) signed by the Secretary-General and the authorized representative of the contractor.

II. Periodic reviews between January 2017 and May 2018

A. Periodic review of the implementation of the approved plan of work for exploration for polymetallic sulphides by the Ministry of Natural Resources and Environment of the Russian Federation

4. A joint periodic review meeting with the Ministry of Natural Resources and Environment of the Russian Federation on its contract for exploration for polymetallic sulphides was held with the Secretary-General on 10 August 2017. The first five-year period for the contract ended on 28 October 2017. Several weeks before the meeting, the contractor had submitted a periodic review report containing a summary of its activities in the period under review and its proposed activities for the following period.

5. Overall, the Secretary-General was satisfied with the periodic review report and the proposed programme of activities submitted by the contractor for the second five-year period. However, for the purposes of monitoring and effective annual report evaluation, he requested that the contractor break down by year the activities to be performed in the period 2017–2022. That request was motivated by the decision of the Assembly of the Authority relating to the final report on the first periodic review of the international regime of the Area pursuant to article 154 of the Convention, in which the Assembly requested that the Commission and the Council consider requiring, within the context of the development of a regulatory framework for exploration and exploitation, that new contracts, including all extensions, be prescriptive, with standard terms and conditions and detailed plans of work that set clear objectives and can be monitored and enforced (ISBA/23/A/13, sect. F, para. 1).

6. Although the contract with the Ministry is neither a new contract nor an extension, scheduling the planned implementation of activities on a year-by-year basis was considered to be a step towards presenting detailed plans of work with clear objectives that would facilitate better reporting and monitoring.

7. As a result, the new reporting format will be included as the new schedule 2 of the existing contract.

B. Periodic review of the implementation of the approved plan of work for exploration for polymetallic nodules by Global Sea Mineral Resources NV

8. Given that its contract was signed on 14 January 2013, Global Sea Mineral Resources NV should have submitted its periodic review report on 16 October 2017 (i.e., 90 days prior to the expiration of the five-year period). However, the contractor

was not in a position to begin its programme of activities until the relevant legislation of its sponsoring State, Belgium, had entered into force. As a consequence, the contractor and the Authority, upon signing the contract, agreed that activities would only commence once that legislation came into force, which occurred in October 2013. The contractor therefore only began activities approximately one year after signing the contract and, as such, is expected to submit its final report on the first period of exploration (years 1 to 5), as required under the contract, by 31 March 2019.

C. Periodic review of the implementation of the approved plan of work for exploration for polymetallic nodules by UK Seabed Resources Ltd. (first contract)

9. The contractor has duly notified the Secretary-General of its intention to submit its periodic report for review in connection with the contract that came into force on 8 February 2013. The secretariat has not yet received the report and will follow up with the contractor diligently for the purpose of conducting a joint review in 2018.

III. Periodic reviews in 2018 and 2019

10. The table below provides a breakdown of periodic reviews to be carried out in the period 2018–2019. The reviews will be conducted and reported on to the Commission and the Council in due course.

Contractor	*Type of resource*	*Reporting deadline*	*Scheduled date of joint review*
Global Sea Mineral Resources NV	Polymetallic nodules	31 March 2019[a]	To be determined
UK Seabed Resources Ltd. (first contract)	Polymetallic nodules	10 November 2017	Pending
Japan Oil, Gas and Metals National Corporation	Cobalt-rich ferromanganese crusts	29 October 2018	July 2018
China Ocean Mineral Resources Research and Development Association	Cobalt-rich ferromanganese crusts	29 January 2019	To be determined
Government of the Republic of Korea	Polymetallic sulphides	26 March 2019	To be determined
Institut français de recherche pour l'exploitation de la mer	Polymetallic sulphides	20 August 2019	To be determined

[a] See para. 8

IV. Recommendations

11. The Legal and Technical Commission is not required to approve or reject the proposed programmes of activities and has no formal role in the review process. Nevertheless, the Secretary-General wishes to invite the Commission to review the reports and other information provided by the contractors and to make such recommendations as may be deemed appropriate to assist him in carrying out his responsibilities under the regulations, including recommendations as to any additional data and information that may be necessary for the purposes of the reviews.

International Seabed Authority ISBA/24/LTC/9

Legal and Technical Commission

Distr.: General
25 July 2018

Original: English

Twenty-fourth session
Legal and Technical Commission session, part II
Kingston, 2–13 July 2018
Agenda item 5
Status of the implementation of training programmes under plans of work for exploration and the allocation of training opportunities

Selection of candidates for training programmes under plans of work for exploration

Recommendations by the Legal and Technical Commission

I. Introduction

1. Pursuant to their contracts for exploration with the International Seabed Authority, Global Sea Mineral Resources NV (GSR), JSC Yuzhmorgeologiya, Deep Ocean Resources Development Co. Ltd. (DORD) and China Minmetals Corporation (CMC) submitted training proposals to the secretariat.

2. At its meeting held on 12 March 2018, the Legal and Technical Commission appointed a subgroup to evaluate and recommend candidates for training opportunities. It had been agreed that the subgroup would work with the secretariat between sessions to identify appropriate candidates for training opportunities (see ISBA/20/LTC/13, paras. 11–13). In selecting candidates, the subgroup considered the relevant regulations and the principles, policies and procedures applicable to the training programmes, in particular the recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration (ISBA/19/LTC/14).

3. Owing to the scheduling demands for the training opportunities offered by GSR and JSC Yuzhmorgeologiya in 2018, the subgroup appointed during the previous session was required to select candidates prior to the July 2018 meetings of the Commission. To accommodate the contractors' requests, the subgroup made intersessional selections by means of email communication. The other selections, however, were made according to the normal selection process during part II of the 2018 session.

4. Candidates were selected on the basis of the qualification criteria provided by each contractor for their respective programmes, in particular language proficiency, educational background, work experience, potential career development, reasons for

18-12338 (E) 300718

Please recycle

seeking training, expected benefit to the candidates' countries of origin and other merits specified in the application material. In addition to those considerations, due regard was paid to gender balance and equitable geographical distribution, in particular the interests and needs of landlocked and geographically disadvantaged developing States, as requested by the Council in a decision adopted at the twentieth session (see ISBA/20/C/31, para. 6).

II. Intersessional selection of candidates

5. On 9 November 2017, GSR submitted a training proposal pursuant to its contract for exploration for polymetallic nodules signed with the Authority on 14 January 2014. In its proposal, GSR offered five training opportunities, including one fellowship for a master's degree programme in marine and lacustrine science and management (see ISBA/24/LTC/5, para. 13). During the March meeting of the Commission, the subgroup recommended that, given the very small number of applicants (three), the fellowship be re-advertised and that the secretariat make a concerted effort to attract enough qualified applicants.

6. On 22 February 2018, JSC Yuzhmorgeologiya submitted a training proposal pursuant to its contract for exploration for polymetallic nodules signed with the Authority on 29 March 2001. In its proposal, JSC Yuzhmorgeologiya offered a theoretical and at-sea training opportunity in the field of geology for six candidates. The first part of the training programme will be held at Saint Petersburg State University for approximately two weeks, between October and November 2018. The second part, the scientific cruise, is to be conducted on board the research vessel *Gelendzhik* in the Clarion-Clipperton Fracture Zone for about 60 days, between the fourth quarter of 2018 and the second quarter of 2019.

7. The training opportunities were sent to the members of the Authority for the purpose of nominating candidates. They were also advertised on the website of the Authority and through social media platforms. The following applications were evaluated:

(a) GSR fellowship: 23 applications (10 from the African Group, 5 from the Asia-Pacific Group, 7 from the Latin American and Caribbean Group and 1 from the Eastern European Group; 9 women and 14 men);

(b) JSC Yuzhmorgeologiya training programme: 31 applications (16 from the African Group, 6 from the Asia-Pacific Group and 9 from the Latin American and Caribbean Group; 10 women and 21 men).

8. On the basis of the selection criteria and recommendations approved by the Commission, and taking into account consultations between the contractors and the secretariat, the subgroup recommended to the Commission the following first-ranked candidates and alternates for the aforementioned training programmes:

Global Sea Mineral Resources NV fellowship

Name	*Gender*	*Country of origin*
First-ranked candidate		
1. Shymbaliova Nadzeya	Female	Belarus
Alternates		
1. Beatriz Melo	Female	Brazil
2. Jerahmeel Tilto	Female	Papua New Guinea
3. Ahmed Adam	Male	Somalia

JSC Yuzhmorgeologiya

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. José Isola	Male	Argentina
2. Beatriz Melo	Female	Brazil
3. Amina Makori	Female	Kenya
4. Abi Dzikri Alghifari	Male	Indonesia
5. Aruggoda Kapuge	Female	Sri Lanka
6. Maria Alvarez	Female	Argentina
Alternates		
1. Pantarak Channarong	Male	Thailand
2. Fermin Palma	Male	Argentina
3. Warsame Atteyeh	Male	Somalia

III. Selection of candidates in July 2018

9. During its meetings held from 2 to 13 July 2018, the Commission met to advise the Secretary-General on the selection of candidates for training programmes proposed by DORD, GSR and CMC.

10. On 1 March, DORD submitted a training proposal pursuant to its contract for exploration for polymetallic nodules signed with the Authority on 20 June 2001. In its proposal, DORD offered five at-sea training places on board the research vessel *Hakurei*. The 40-day-long programme is planned to take place between July and August 2019 and will be conducted in two phases. Phase 1 will be a 15-day-long geological cruise survey, while phase 2 will be a 25-day-long post-cruise training course. Training on board will include marine seismic reflection surveys, marine surveys using magnetometer and gravimeter, and marine geological mapping, as well as practical training on exploration technology for marine mineral resources.

11. On 4 April, GSR submitted a training proposal pursuant to its contract for exploration for polymetallic nodules. In its proposal, GSR offered two offshore internship opportunities, which will take place in the first half of 2019, in the Clarion-Clipperton Fracture Zone. For four to six weeks, one trainee will integrate the GSR geological and geotechnical team; while the other trainee will work on topics covering the environmental and biological aspects of the offshore campaign of 2019.

12. On 23 April, CMC submitted a training proposal pursuant to its contract for exploration for polymetallic nodules signed with the Authority on 12 May 2017. In its proposal, CMC offered four training places under two programmes, namely, two positions for an at-sea environmental exploration cruise in 2018 and two positions for an at-sea geological exploration cruise in 2019.

13. The training proposals were sent to members of the Authority for the purpose of nominating candidates. They were also advertised on the website of the Authority and through social media platforms. The subgroup evaluated the following applications during part II of the Commission's session:

(a) DORD training programme: 33 applications (17 from the African Group, 9 from the Asia-Pacific Group and 7 from the Latin American and Caribbean Group; 8 women and 25 men);

(b) GSR training programme: 28 applications (18 from the African Group, 6 from the Asia-Pacific Group and 4 from the Latin American and Caribbean Group; 10 women and 18 men);

(c) CMC training programme: 35 applications (22 from the African Group, 7 from the Asia-Pacific Group and 6 from the Latin American and Caribbean Group; 10 women and 25 men).

14. The final recommendations are as follows:

Deep Ocean Resources Development training programme

Name	*Gender*	*Country of origin*
First-ranked candidates		
1. Francisco Ponce-Núñez	Male	Mexico
2. Shahtaj Karim	Female	Bangladesh
3. Augustin Didier Pepogo Man-Mvele	Male	Cameroon
4. Marika Ritova	Male	Fiji
5. Juan Pablo Ormazabal	Male	Argentina
Alternates		
1. Ajibola Oyebamiji	Female	Nigeria
2. Adam N. B. Purnomo	Male	Indonesia
3. Mohamed Elsaied	Male	Egypt
4. Rajib Saha	Male	Bangladesh

Global Sea Mineral Resources NV training programme

Name	*Gender*	*Country of origin*
First-ranked candidate (Geology)		
1. Fermín Palma	Male	Argentina
Alternates		
1. Otobong Ndukwe	Female	Nigeria
2. Jakrapun Khamboonruang	Male	Thailand
First-ranked candidate (Environment)		
1. Sayakkara Mesthrilage Athukorala	Female	Sri Lanka
Alternate		
1. Hamdy Abotaleb	Male	Egypt

China Minmetals Corporation training programme

Name	*Gender*	*Country of origin*
First-ranked candidates (Environment)		
1. María Emilia Bravo	Female	Argentina
2. Mohamad Abu Hassan	Male	Malaysia
Alternate		
1. Tosapon Sungsirin	Male	Thailand
First-ranked candidates (Geology)		
1. Kyaw Win Thet Paing	Female	Myanmar
2. Warsame Atteyeh	Male	Somalia
Alternates		
1. Keith Tuunde	Male	Uganda
2. Fidelis Onah	Male	Nigeria
3. Taiwo Bolaji	Male	Nigeria

15. The Commission accepted the recommendations of the subgroup regarding the list of preferred candidates for the training programmes.